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D-7432

CONFIDENTIAL
FILE

SHANGHAI MUNICIPAL POLICE

S. B. REGISTRY

No. S. B. D. *7430*.....

Date *1-1-37*.....

German military missions.
Airials & movements.

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The well-known German industrialist Otto Wolff who recently was intrusted by the Chinese Government with a large order for railway material and rolling stock, has just left Egypt, where he had been spending several weeks, to proceed to China. Herr Wolff will break his journey at Singapore to make a short business trip to Siam. He will return to Germany via the United States in April.

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GERMAN INTERESTS IN CHINA

Herr Wolf Seeking New Natural Resources In Kweichow

BERLIN, Jan. 9.—Herr Otto Wolf, the German manufacturer who recently concluded a contract with the Chinese Government for the construction of a railroad linking Chuchow in the Province of Hunan to Kweiyang, in Kweichow, will arrive in China shortly to negotiate for new business.

Chinese quarters in Berlin declare that Herr Wolf has the intention of exploiting the natural resources of the two provinces along the contemplated railway line. Should his plan materialize, they point out, Herr Wolf would practically control all industrial activity in Hunan and Kweichow.—Havas.

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SHANGHAI MUNICIPAL POLICE.

File No.

DRAWER

S.2, Special Branch, ⁷⁴³⁰ ~~7430~~

SECRET

REPORT

Date June 25, 1936.

Subject (in full) Re Attached Report.

Made by and Forwarded by D.S.I. Coyne

With reference to the attached report on the arrival of four Germans believed to be members of a military mission, it is reported that they are to supervise the instalation of machinery recently purchased from Germany for a new arsenal now in the course of construction. This arsenal is one of the many undertakings of a military nature with which the Central Government are now engaged in North and West China.

In the vicinity of Sian underground stores are being prepared for one million gallons of aviation fuel which the Standard Oil Company of New York have contracted to supply. In connection with this it is probable that an air force centre will be opened at Sian in the near future, when a large number of fighting machines ordered from Italy arrive here.

Contrary to certain
premises
contained in
21- demands
of 1915?
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SR
26/5

Comm.
Sir

Information

Thos Robertson

J. Coyne

D. S. I.

Officer i/c Special Branch.



Memorandum sent to B. and F.

FILE

SR. 25/6



202-d
SHANGHAI MUNICIPAL POLICE.

File No.

SECRET

Section 2, Special Branch. *Shanghai, 10 36*
REPORT

Date June 24, 1936

Subject Arrival in Shanghai of four Germans believed to be members of
a military mission.

Made by D.P.S. Henchman

Forwarded by *L. I. I. 10/26/36*

At 5.30 p.m. on 22nd June 1936 the Lloyd Triestino s.s. Conte Verde arrived at the China Merchants Lower Wharf, Shanghai. On board were four Germans believed to be members of a military mission to the Chinese Government at Nanking. This party consisted of Lieutenant General Von Reichenau, Captain Helmuth Voelter, Frederick W. Busse and Hans Klein; they were met at the docks by three Germans one of whom was P. Hulderman, editor of the Ostasiatischer Lloyd, and a party of Chinese which included Yang Voong Gee (楊鳳岐), Detective Inspector attached to the Woosung-Shanghai Garrison, a representative of Mr. T.V. Soong, a representative of General Chien Ta Chun (錢大鈞) military adviser to Chiang Kai Shek, and Tong Ying Jien (唐行健) a local lawyer and younger brother of Tong Chiu Sung, ex-interpreter at Louza Police Station. The arrivals seemed to be well acquainted with and on very good terms with the Chinese who met them; most of these Chinese spoke German.

On leaving the docks the party went to the Park Hotel, Bubbling Well Road, where they spent the night and then left for Nanking on the morning train of Tuesday 23rd June.

Examination of the alien registration papers of the above-mentioned group disclosed the following information:

Generalleutnant Walter Von Reichenau, German male, age 51, born at Karlsruhe, Baden. address in Germany: Muenchen General-kommando. travelling with ministerial passport No. 451, issued 15th May 1936 at Auswartiges Amt, Berlin, visaed at Chinese Embassy, Berlin, on 19th May 1936; intended sojourn in China, three months; reference given in China, German Embassy, Nanking.

Captain Helmuth Voelter, German male, age 38, born at Ulm a Donau. address in Germany: Gunostrasse 48-III; passport:

SHANGHAI MUNICIPAL POLICE.

File No.

REPORT

Station,

Date 19

Subject

Made by Forwarded by

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German No. 121/36 issued by President of Police, Berlin, 13th May 1936, visaed at the Chinese Embassy, Berlin, 19th May 1936; intended sojourn in China: three months.

Frederick W. Busse, German male, age 28, born at Dresden, Germany; address in Germany: Berlin C. 2.; travelling with passport No. 8/34 issued on 10th March ¹⁹³⁴ at the German Consulate-General, Canton, visaed 13th May 1936 at the Chinese Embassy, Berlin; intended stay in China: 9-12 months; occupation: merchant; reference in China: c/o W. Eckert, P.O. Box 178 Canton.

Hans Klein, German male, age 56, passport No. 157 R21853 issued 13th May 1925 at Berlin visaed in May 1936 at Berlin; reference in China: Eckert, Canton.

The four Germans all travelled from Berlin via Genoa and Singapore; they possessed in all 21 pieces of baggage which the customs officials at the China Merchants Lower Wharf were instructed to pass duty free.

The name W. Eckert, referred to in the papers of Busse and Klein, is manager of the firm of Siemens, Export and Import Agents at Canton.

D. P. S.

D. P. S.

Officer i/c Special Branch.

25/6

THE SHANGHAI TIMES, WEDNESDAY, JULY 1, 1936

SINO-GERMAN PACT ADMITTED

No Agreement Involving Credit Purchase Of Armaments

NANKING, June 30.—The existence of a Sino-German barter agreement was admitted by an official spokesman here to-day, but he added that it was signed as long ago as 1934.

The agreement, he said, provided for the exchange of German manufactured goods for Chinese raw materials, but he denied that any definite amounts were stipulated, or that the agreement had military significance.

The goods which China proposed to buy under the terms of the agreement consisted of machinery for the development of her industries, the quantity of which would depend on the amount of raw materials available for barter from time to time.

No new agreement involving the purchase on credit of German armaments had been signed.—
Reuter.

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Huge Barter Agreement Reached Between China And German Government

Reich Representatives At Present In Nanking For Purpose Of Concluding Details Of Pact Which Provides For Credit Of \$100,000,000

ARMAMENTS AND ELECTRICAL MACHINES IN EXCHANGE FOR OILS AND FATS

Negotiations to arrange the details of a huge Sino-German "barter" trade agreement, secretly signed in Berlin in mid-May, are under way in Nanking between the Reich representatives and high National Government officials. Domei learned yesterday on unimpeachable authority.

Representing the Reich are: General W. von Reichenau, Commander of the Seventh Army Corps of the Reichswehr and personal representative of General W. Von Blomberg, Reichswehr Minister, and Herr Hans Klein, representative of the German trading firm, generally known as Hapco.

Both arrived here from Europe on the s.s. Conte Verde on June 22, and after staying overnight at the Park Hotel proceeded to the capital, where Herr Klein is staying with friends.

The agreement, Domei learned, is designed to provide Germany with raw materials, especially fats, which she needs acutely, for German heavy armaments and electrical and textile machinery.

Agreement Admitted

The conclusion of the agreement in Berlin was admitted by Lieut.-Colonel Hermann Kriebel, Consul-General for Germany, in an exclusive interview with Domei.

"It is a fact that an agreement has been concluded by Herr Klein, Lieut.-Colonel Kriebel said. "General von Reichenau has a personal letter addressed to General Chiang Kai-shek from General von Blomberg and he is scheduled to introduce Herr Klein to the Generalissimo."

"The details of the accord are being strictly guarded and even I don't know much about them, but I believe it can be truthfully described as a barter grade agreement."

Under the terms of the agreement, Domei learned from authoritative sources, China will provide Germany with wolfram, tung oil, peanuts and other raw materials over a period of from four to six years.

\$100,000,000 Credit

Germany, in exchange, will set up immediately a credit not to exceed \$100,000,000, this amount to be used for the purchase of German manufactured products, especially fats, which she needs acutely, in exchange for German heavy armaments and electrical machinery.

Details as to the nature, price, amount of the goods to be sup-

portant political and economic interests in China, cannot regard with equanimity such a possible increase of elements tending to disturb the internal peace of China," he added.

Six German bombers were landed in Canton in the middle of this month for use by the Kwangtung forces, according to highly reliable non-Japanese sources.—Domei.

TOKYO, June 27.—Japanese military and diplomatic circles today sought to verify from official quarters in Berlin and Nanking, press reports of the conclusion of a secret Sino-German "barter" trade agreement.

Special attention was being paid to the part in the despatch referring to the supply of heavy armaments by Germany to China.

"Under the terms of the Versailles treaty, Germany cannot sell armaments abroad," a spokesman for the Foreign Office declared. "As a signatory to the treaty, Japan will naturally enter a protest should our inquiries show that Germany is selling munitions to China."

Reliance Upon West

The spokesman added that the report was but new evidence of Chinese reliance upon the West.

"Italian aviation instructors, German advisers in trench warfare, and American strategists surround General Chiang Kai-shek. Meantime, Mr. K. P. Chen goes to the United States to secure financial assistance, while Sir Fredrick Leith-Ross comes to China to help with finance and questions relating with the Customs. Now she seeks aid from Germany in armaments," the spokesman remarked.

Military circles expressed the opinion that the supply by Germany of large quantities of munitions to China would help in bolstering up anti-Japanese sentiment among a faction of Nanking officials.

Heavy Armaments

Unusual interest was shown by army officers to the report that the German armaments would consist principally of high-speed anti-aircraft guns, howitzers, heavy field guns and tank guns.

It is to be regretted that this reported action of the Reich has not a part of them on the other hand, a spokesman for the War office said—

SHANGHAI MUNICIPAL

S. D. REG

S. B. D. 7/10/36

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TO-DAY!
at 2.30, 5.30 and 9.15 p.m.

MENDELSSOHN

SHAKESPEARE

THE SHANGHAI SUNDAY TIMES

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THE CHINA PRESS, SATURDAY, JUNE 6, 1936

SHANGHAI MUNICIPAL OFFICE
S. B. REGISTRY
No. S. B. D. 7430
Date 6 6 36

German Army Officer Due On F. E. Mission

Trip Object Unknown;
U. S. To Raise Duty
On Reich Products

BERLIN, June 5.—(Reuters).—
~~General von Reichenau~~, Army
officer in Bavaria, is shortly
proceeding on a special mission to
the Far East, according to an
announcement today.
The precise nature of his mission
has not yet been revealed.

*File
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